

# EMPOWER NETWORK

## COMPENSATION PLAN

October 2014

### Welcome

Congratulations on joining Empower Network, LLC. Empower Network is a fast growing technology, personal development and direct sales company. We are focused on providing products and services that exceed anything found on the Internet today. Our products provide educational and personal development tools for entrepreneurs in all types of businesses. The goal of Empower Network is to provide small-business owners, entrepreneurs and opportunity seekers the ability to leverage the Internet by providing state-of-the-art technology without dealing with the technical and overhead challenges that generally frustrates and discourages entrepreneurs and small-business owners.

### Mission

Empower Network wants to be the go-to source to help inspire, uplift and empower people to fulfill their goals, both personal and financial. Empower Network is dedicated to empowering as many people as possible through the network, products, support, opportunities and the honest and authentic message of hope and freedom. Founded on the idea that individuals can build businesses and have personal lives at the same time, Empower Network believes that individuals can use the struggles, hardships and experiences they've had in life and turn them into their most empowering assets. At Empower Network we don't believe that the past dictates your future. We want to provide our customers and affiliates the potential to go from disenfranchisement to full self-empowerment.

Empower Network was built with two goals in mind:

1. To provide you with the potential to make more money in your existing business by giving you tools, educational products, coaching and systems that work to help you achieve a more empowered life; and
2. To provide you with a way to earn leveraged income through our Affiliate program, which provides marketing systems, tools and products to help those in the Direct Sales, Network Marketing, and/or online marketing niche. To do this, we have created a system that distributes earnings on a 70% commission basis on the total purchase price of the product sold.

It is important to understand that all commissions are based on the sale of our state-of-the-art products and services and **not** on recruitment. To be clear, you do **not** earn commissions from recruiting other affiliates into your business. However, you do earn commissions on their products sales. The more products you and members of your downline sell, the more you have the potential to earn. Of course, becoming an affiliate is optional and not a requirement.

*Key Point: Empower Network affiliates are not required to purchase any of our products in order to become an affiliate. Whether a customer or an affiliate, you can choose to use our products to build traffic, leads and marketing campaigns for any business you choose.*

### Core Products

The Empower Network core products truly offer revolutionary information, resources and education to provide our customers and affiliates with a better life. We provide marketing tools, systems and ongoing educational services. For those who choose to become an affiliate, we offer a generous commission structure that pays 70% commissions on qualifying product sales in a "powerline" commission structure described below, on a per product basis.

### **Viral Blogging System (VBS)**

This is the flagship product for Empower Network. It was designed by marketers, for marketers. When you buy the blog it comes out of the “box” ready for marketing. A lot of people will pay thousands of dollars to have a blog designed, usually by a designer – and later find out that most designers do not understand how to market. Design work and marketing are two separate skill sets. The VBS is a blogging platform with a slick looking design, is fully customizable to meet individual needs and is set up to be optimized for your online marketing ... if you buy it with that purpose in mind. Many people use it for personal use, or to market their own businesses because it is much quicker, easier and ultimately more affordable than getting a self-hosted blog set up.

The current price of *The Viral Blogging System* is \$25 per month with 70% of the \$25 paid to the qualified powerline affiliate on a monthly, residual basis, as long as the customer stays active on the program.

### **Inner Circle Membership**

Successful entrepreneurs, whom relay important information about how to change your mindset to become successful in any business, have joined with Empower Network to put these “Mindset Training” audios together. This educational collection offers key success factors on how to start generating more sales, referrals, traffic, leads, and customers for life, simply by using established practices by marketing leaders who are successful in online promotion, direct sales and network marketing. These contain revolutionary techniques and philosophies you can implement to help explode your sales and commissions to lead a more prosperous life.

The current price of *The Inner Circle Membership* is \$100 per month with 70% of the \$100 paid to the qualified powerline affiliate on a monthly, residual basis as long as the customer stays active on the program.

### **Costa Rica Mastermind Intensive**

A “Must Have” for online marketing education! This video series was recorded in the mountains, near the beautiful beaches of Costa Rica with some of the most knowledgeable entrepreneurs in the online business. This small, tight knit group of incredible online marketers got together to share their secrets with the select few in attendance. In fact, the strategies they were sharing were so powerful there were only 10 seats available. Those 10 fortunate individuals paid \$2,997 plus airfare just so they could learn from “master marketers” and finally have the potential to get the results they desired. The sessions were recorded and edited down to the very best, most powerful “money-making” techniques so you may rise to the top and be the best you can possibly be! This video series includes a 42-page online instructional manual, 12-hours of video, quizzes and step-by-step guidelines.

The *Costa Rica Mastermind Intensive* is a lifetime product and the current price is a one-time payment of \$500. As with the VBS and Inner Circle, there is a 70% commission of the entire one-time payment paid to the qualifying affiliate.

### **15k Formula**

Looking for strategies and marketing tricks that work? Look no further. Simply put, the strategies in the 15k Formula work and can be used in any business, which is why people rave about the product. The 15k Formula is a comprehensive set of video modules to *show* you as many marketing methods as possible, so you can choose for yourself the best option that will work with your personality. The truth about making money online is that there are a lot of “different roads up the mountain.” With so many people creating massive results in so many different ways, we decided to share some of them with you. Not only will these remarkable individuals tell you how they did it ~ they will show you! Extraordinary results are created in a variety of ways. Example Modules are: “Clarity for Success,”

“Compelling Content Mastery,” “7 Figure Email Secrets,” “Dynasty Team Building Formula,” and “Selling Through the Power of Video.” What’s the strategy that will guide you and help you reach your desired level of success? The sky is the limit in the 15k Formula with so many possibilities to learn from experts in the field and take your business to the next level.

The *15k Formula* is a lifetime product and the current price is a one-time payment of \$1000. There is a 70% commission of the entire one-time payment paid to the qualifying affiliate.

### **Master’s Course**

In one word, Powerful! This is our “graduate level” series for those individuals who want the million dollar secrets to accelerate their business and put into action the keys to success. It will exceed your expectations and with Dave Wood at the helm, you will receive the direction you need to recognize how to attain sales faster and easier than ever before. There is actually a science to marketing online. There are several different phases of growth in business. After you go through the Master’s Course, you will know exactly where you are in your business and you will have a game plan to reach your goals. Example courses include, “Niche Marketing,” “Email Marketing,” “Perpetual Marketing,” “Exponential Income,” “Essentials in Content,” “The Hero’s Journey,” “Leverage List Building,” “Myths and Truths of Duplication,” and so much more!

The *Master’s Course* is a lifetime product and the current price is a one-time payment of \$3,500. There is a 70% commission of the entire one-time payment paid to the qualifying affiliate.

*Core Products: The above five (5) products are part of the Empower Network core product line. A core product is one that is a “stand alone” product in the Empower Network business.*

### **Specialty Products**

Empower Network carries a line of specialty products that help our customers and affiliates in other aspects of their business. These products currently include:

- Media Hosting – provides the customer or affiliate with the ability to upload and host his or her own videos. The videos can be used with the Viral Blogging System or through many other methods. Media Hosting offers three different price points for three different volumes of bandwidth and storage. The price is \$25/month and is NON-commissionable.
- Viral Blogging Academy – This product allows a member exclusive lifetime access to 10 POWERFUL lessons like, "Easy blogging Tech" with Lawrence Tam, or "Driving Peeps" with Vick Strizheus. This product also includes PDF download companions to aid in your understanding of the modules. The current price is a one-time payment of \$297.
- High Ticket Academy - This product was designed to take a home-based business owner (regardless of their experience) through steps A-Z for strategies and best practices for marketing and selling higher-priced ticket items. The current price is a one-time payment of \$497.
- Internet Traffic Formula (ITF) – This innovative product provides additional tools and resources to the home based business owner on how to attract quality traffic to their website. This is a 12-module product, with each of the 12 modules divided into "subsections," including video and supplemental content. In total, ITF will contain over 80+ individual videos. The current price is a one-time payment of \$997.

*Specialty Products: The above four (4) products are part of the Empower Network specialty product line. These items are extraordinary and people want to have them as part of their Empower Network business. If an affiliate sells these products, they will receive a 70% commission payout.*

Each product within the Core Product and Specialty Product lines has its own affiliate compensation plan, which is not tied to any of the other products. The compensation plan for each product has to be activated individually or through our bundle offers (see below). The success of this Compensation Plan, the success of other affiliates, and our system does not guarantee that you will earn any money. While some of our affiliates earn a significant income, many earn nothing at all. By participating as an affiliate, you acknowledge this and understand that your own success is based on your marketing skills, hard work, leadership ability, and other factors we may or may not present in this document. For more information on the average earnings of an Empower Network affiliate, please visit [www.empowernetwork.com/income](http://www.empowernetwork.com/income)

## New Member Promotional Bundles

The core products (Viral Blogging, Inner Circle, Costa Rica, 15k Formula and Master's) are available for purchase by new members in a bundle savings options within their first 7 days. The compensation plan on each product sold within the Bundle is treated separately, just as if each product were purchased separately. The products, price and commissions on an ALL IN Bundle are reduced if a member already owns one of the core products. For example, if the member already owns the Viral Blogging System, their ALL IN Bundle won't contain the product, thus the price and commissions paid will be appropriately reduced.

*Note:* New and/or second accounts are not permitted to take advantage of the Bundle pricing. Promotional Bundles also follow the 70% commission payout.

## Affiliate Program and Participation

The Affiliate Program is optional and not a product, but rather part of the administrative process. The Affiliate Program allows an individual who has chosen to participate to sell products and earn commissions on those product sales. Additionally, it gives the affiliate access to tools, marketing data, etc. and supplies an in-house merchant account for commission payouts. The monthly administrative fee is \$19.95 and will be billed every 30-days, until canceled by the affiliate. Additionally, the monthly fee is non-refundable. Only the initial payment of \$19.95 may be refunded within 14-days as established by the Refund Policy. All subsequent monthly payments are non-refundable. Empower Network reserves the right to change the membership fee at any time.

To become an affiliate the following process must be followed:

1. You must be 18 years old;
2. Execute the affiliate agreement on the join page from your referring affiliate;
3. Generate the required product sales to activate the commission structure on EACH PRODUCT. This can be done by either:
  - a) Purchase the product for your own personal use and maintain a subscription to that product if it has a monthly fee.

(If you have completed the other 2 steps to activate the commission structure, your affiliate application will be activated to begin receiving commissions under the compensation plan for that product with your first sale.)

- b) Generate one qualifying sale of that product. (Again, compensation for each product is activated separately.)

The compensation plan is initiated when a particular product is activated either through personal use or product sale; you receive **no benefit** for referring or recruiting affiliates.

It should be noted that if the product in question is a monthly subscription, you have to maintain that subscription either through purchasing it for your own personal use, or maintaining one active member subscription. You will then be activated to participate in the full commission structure with your next sale of that product, and receive commissions immediately.

Many affiliates choose to purchase the product for their own personal use, to help them promote their own business outside of Empower Network, and to aid them in understanding the value and sales message. However, purchasing a product is not required to activate a compensation plan on any Empower Network system or product.

4. (IMPORTANT) Empower Network operates on a principle where your customers actually make payments directly through an approved payment method. In order to participate in the Empower Network Compensation Plan, you have to activate one or more methods of receiving payment in the profile area of your back office.

Please note: If any of the above requirements are not met, you will not qualify to receive commissions for that particular product/or any of them, depending on which step is missed, (Example: it is not possible to be paid without an activated payment method), you will not qualify under the commission plan for that product, and all commissions and powerline sales will pass over you to the next qualifying affiliate. If you have purchased a product, and do not meet any of the rest of the criteria, you will be classified as a “customer only” and all commissions and affiliate powerlines will be assigned to the next active referring affiliate.

## Commission Structure

Currently, all of our products operate on a “dynamic powerline” system, where the 1<sup>st</sup>, 3<sup>rd</sup> and 5<sup>th</sup> and then every 5<sup>th</sup> sale thereafter of every product passes to the qualifying sponsor, and you keep the commissions on the purchase and ongoing commissions on all other personal sales on products you qualify for. With participation in the Affiliate Program, an affiliate will earn 70% commission on all products sold.

All customer referrals are counted as personal sales to the next qualified sponsor, and referrals will fall on the regular powerline structure for that sponsor.

*Here is an example based on the sale of the Viral Blogging System:*

In this hypothetical example, it is assumed that you are fully activated as an affiliate for the VBS at the \$25/monthly subscription and have completed the steps referenced earlier. You would then pass up product purchases from sales 1, 3, 5, and then every 5<sup>th</sup> to your powerline sponsor. If you sold a VBS to Frank as your first sale – Frank would stay connected to you, but the sale of his purchased VBS would pass to your sponsor. You would then collect a commission on product sales 2, 4, and 6-9, etc.

If you then referred Lisa and she decided to purchase the VBS and purchased as position 2, you would receive a monthly recurring payment of \$25 – for as long as Lisa remains active in the subscription. Next, Lisa decides to participate in the Affiliate Program. When Lisa starts marketing successfully and generating product sales, you would receive a commission payment for monthly subscriptions for her sales 1, 3, 5, 10, 15, etc. If Lisa continued marketing the products, you would also receive a

commission for her sales 20, 25, 30 etc. up to infinity for her personal referrals. Lisa would keep commissions of sales 2, 4, 6-9, 11-14, etc. – just like you do on your personal sales.

Remember though, the product powerlines have their own compensation plan, and you are passing up commissions on product sales, not customers or affiliates.

Before someone activates the affiliate agreement on this, or any other product by following the steps outlined earlier in the Affiliate Program and Participation section, they are not eligible to participate in this system. Additionally, if Lisa were referred in the example above, the entire powerline structure for THIS PRODUCT would pass to the next person in the sponsorship tree who is qualified to receive commissions on that purchase.

It is important to note, that in the powerline system, you ARE NOT passing up affiliates OR customers - you are simply passing up that particular product sale commission, and the powerline tree for that compensation structure. If you passed up the powerline sale for Lisa, in this example, she could still be personally connected to you on one, several, or none of the other products based on the structure and qualifications.

Remember, the compensation structure is NOT based on the order of recruiting affiliates - it is based in the actual order of products purchased. An affiliate could decide to purchase no product at all, and if they made no customer sales to qualify - the commissions for product sales would pass to you until they did, and you would be paid based on the order that actual product sales were made.

If they chose this method, and then started referring customers, you would get all affiliate powerlines, and their first customer sale would then qualify them on that product's commission structure. At this point they would start being paid according to the Compensation Plan as long as they continue to maintain one active member on that product purchase.

Also, if you are qualified to receive powerline sales on one product, but not another – the powerline sales of that product would skip over you to the next affiliate who is qualified on THAT product. All qualifications happen on a per product basis - and one product does not necessarily activate another.

**REMEMBER** - you are not “passing up” affiliates OR customers - you are passing up **powerline commissions on a per product basis** - and it is the same when you receive pass-ups. Your affiliate team does not “pass” customers to you - only sales and powerline commissions on that individual product.

We have found that the powerlines tend to stagger and you might receive all product commissions on a customer, or you could receive one, and pass up the others - it is based on the order of purchase on a per product basis.

## Payment Schedule and Processing Fees

Commissions shall be paid based on the current information found in your affiliate account. “Pending” commissions are paid weekly on the Friday two weeks after the sale. Our merchant processor holds 10% of each sale in reserve. This is the “Holdback” portion of your commissions. They are paid once our merchant processor releases the hold after 6-8 months.

Fees incurred are paid by Empower Network and are not deducted from your commissions. These fees include:

- Processing fee of 6.35% of the sale price
- Per Transaction fee of 79 cents



However, any fees associated with refunds or chargebacks will be paid by the affiliate receiving the commission on the product sale that is subject to a refund or chargeback.

To help you better understand the flow of the commissions and the fees, suppose you made a \$3,500 Masters Course sale. As noted above, the 70% commission amount on the Master's Course is \$2,450. Then the following fees are applied:

- \$245.00 (10%) would be added to the "Holdback" and scheduled for release between 6-8 months later (dependent upon when they are released by the Merchant Processor),
- The remainder \$2,205 would be added to "Pending" Commissions, scheduled to be paid weekly on the Friday *two weeks after* the sale.

## Income Disclosure Statement

In order to remain transparent, it is important that all potential affiliates understand that everyone's results will vary, as we are all unique and different. It takes hard work to make a substantial income in this business, and some people will make no money at all. The earnings of an Empower Network Affiliate will be 100% dependent upon their skills, work effort, commitment, leadership capabilities and market conditions. Common sense would suggest that in most opportunities, one would find exceptional individuals performing well above average, while others perform under the average and make no money at all. Empower Network does not guarantee any level of income or success. To see our full income disclosure, please visit our website at [www.empowernetwork.com/income](http://www.empowernetwork.com/income).

Income Statistics from Jan 1, 2013 to Apr 30, 2014*						
Monthly Income Level	% of Active Affiliates*	% of All Affiliates*	Monthly Income			Annualized Average Income
			High	Low	Average	
\$25,000 +	< 1%	< 1%	\$456,826	\$25,063	\$60,907	\$730,885
\$10,000 - \$24,999	< 1%	< 1%	\$24,896	\$10,081	\$15,227	\$170,073
\$5,000 - \$9,999	1%	< 1%	\$9,984	\$5,002	\$6,942	\$82,934
\$2,500 - \$4,999	2%	< 1%	\$4,999	\$2,500	\$3,582	\$41,966
\$1,000 - \$2,499	4%	1%	\$2,499	\$1,000	\$1,530	\$18,802
\$500 - \$999	4%	1%	\$999	\$500	\$693	\$8,758
\$250 - \$499	5%	1%	\$499	\$250	\$345	\$4,166
\$100 - \$249	21%	5%	\$249	\$101	\$141	\$1,753
Less than \$100 (Active Affiliates*)	61%	NA	\$99	\$1	\$32	\$355
Less than \$100 (All Affiliates*)	NA	91%	\$99	\$0	\$5	\$35

\*Each month we track the high, low and average monthly income for our affiliates for the income levels shown. This table shows for each monthly income level the corresponding income statistics over the indicated time frame. Incomes are for our worldwide affiliates, are net refunds and chargebacks, and do not account for any costs incurred by the affiliates. The average affiliate spends between \$500 and \$3,000 in expenses as they build their business. Note that it takes hard work to make substantial income in this business and some affiliates make no money at all. An affiliate is someone who: a) has executed an affiliate application; b) is qualified to earn commissions during the month; and c) has not been terminated or chosen to discontinue for any reason during that month. An affiliate is considered active if they have additionally earned a commission during the month. All figures are in US dollars.

(Sample Only)

## REFUNDS AND CHARGEBACKS

Empower Network pays commissions on the sale of products and services. If a member requests a refund or charges back (i.e., notifies their credit card company that the charge was not authorized) any time after commissions have been paid, the company is put in a position of using sales that it did not truly make for purposes of calculating commissions. When this occurs, Empower Network will claw back commissions from the affiliate's next month's commission payment and apply any fees associated with the refund or chargeback.

We want you, your customers and your prospects to feel comfortable about transacting business with Empower Network. Due to the nature of the Empower Network business and the accessibility of our products immediately upon purchase, there is a strict 14-day refund policy, which begins on the date of purchase. However, please be aware that credit card companies do permit customers to file chargebacks up to 4-6 months after purchase. That being said, Empower Network does what it can to avoid these situations.

### Final Thoughts from Jonathan Cronstedt, CEO

Let me be the first to welcome you to the family! You're about to embark on an entrepreneurial journey supported by the most active and leading edge community of affiliates on the planet, and we're glad to have you.

In our brief history, Empower Network has broken every record, and nearly every long held assumption of how to succeed online in building a business and building a team of like-minded people around you. It's been nothing short of incredible, and with Dave Wood leading the charge ~ the best is yet to come!

We've built over a dozen million dollar earners, countless six and near seven figure earners, thousands of people earning a full-time income, and tens of thousands that have made their first dollar online with us. The vast majority of affiliates in Empower Network earns less than \$100, which does not include any business expenses.

This is a business where you are **NEVER** required to purchase any product to earn a commission. You can work and qualify for every level of commissions through your own efforts. We believe that our products are world-class and that if you're serious about your business, you better be serious about your education, but to be clear, product purchase isn't a requirement to be able to build your business.

This business offers limitless potential, and it will require time, effort, energy and a willingness to grow personally and professionally. Our top achievers work, and work hard (many over 40 hours a week), however they've got amazing results to show for it.

It's not easy, but it is more than worth it, and the rewards far outweigh the challenges.

Let's get to work and I'll meet you on stage at our next event.

It's YOUR time,

Jonathan "JCron" Cronstedt  
CEO, Empower Network